

Smart Money Tips for Kids

1. **Give an allowance** -- Besides monetary gifts for holidays and birthdays, an allowance is often a child's first experience with the idea of income. Using his or her regular allowance, your child can begin budgeting for regular expenses like movie tickets or candy while earmarking savings for the larger things he or she wants. Whether or not you tie chores to an allowance, it's a good idea to get your kids into the habit of managing their own money. One rule of thumb is to pay 50 cents per week for each year of the child's age.
2. **Encourage kids to save** -- Decide on a place where your kids can keep their money in between trips to the credit union. One good practice is to give them different jars; one for saving for a credit union deposit, one for spending, and one for gifts and donations. Then, when they receive gifts, allowance, or income, help them "break it down" into a combination of bills and coins to encourage 'deposits' into each jar.
3. **Take your child shopping** -- It's never too early to help your kids become smart consumers. Teach them to compare goods and services based on price and quality. For example, the next time you go grocery shopping, ask them to find several different brands of the same item (e.g. apple juice) and compare prices and sizes. Then, explain in an age appropriate way why you're choosing to buy one brand over the others.
4. **Go to the credit union** -- Bring your child into the credit union and open a Telly the Turtle kid's account for them. Explain that money in a credit union account will be very safe, and it can grow bigger when saved there over time. Show them their credit union statements so they can grasp the idea of dividends and see how much they're earning.
5. **Explain the use of ATM, checks and credit cards** -- Younger children may think that cash simply comes out of an ATM or that you can 'get things' with a credit card. Explain that using an ATM is how you access the money you've earned or saved in an account at the credit union and that each time you use an ATM or Debit card, that transaction amount is taken out of your account. When it comes to credit card use, show children your monthly statement to help them understand everything you bought with it must now be paid for with 'real, live' money.
6. **Encourage giving** -- Help your kids put their own needs and wants in perspective by demonstrating how the resources they have can go a long way to help those in need. Work with them to investigate different types of charities and identify some local organizations to which they can contribute.
7. **Talk about 'talking money' with others** -- Over time, kids develop a natural curiosity about the perception of wealth and materialism and will often compare their situation to that of friends and neighbors. Explain to your child that it's not polite to ask people how much money they have or boast about your family's scenario. It's important for them to know "you are not what you own".
8. **Include children in family financial discussions**--Consider including your children in discussions about family finances, such as saving for the holidays, planning for a family vacation, or even a Saturday afternoon at the movies. Convey the idea that financial choices and trade-offs are a part of every day life. An example might be "We simply have to get a new car this year, so we can't take that trip to Florida, but we can still enjoy a week camping."
9. **Allow young people to make spending decisions** -- Encourage your kids to use common sense when buying. Whether good or bad, children quickly learn from their spending choices. Make it a practice to discuss the pros and cons of every purchase before spending takes place. Advise them to take the emotion or impulse out of spending, but instead to research potential purchases for quality, price, and the best time to buy.
10. **Set a good example** -- It's no secret kids learn by watching and imitating others. And when it comes to making financial choices, the same principal holds true. Your kids will first find out about money - what it is, how it works and how to handle it - from **you**. If you spend wisely and save regularly, your kids will do the same.